EXHIBIT 167

REDACTED

COMPLIANCE SOLUTIONS POWERED BY BUZZEO PDMA

DESCRIPTIVE OVERVIEW DOCUMENT

CEGEDIM COMPLIANCE SOLUTIONS SUSPICIOUS ORDER MONITORING

CONTROLLED SUBSTANCES

"RETUNEMENT"

Introduction and Background

A Suspicious Order Monitoring (SOM) process/program must meet current regulatory requirements and correspondence received from the Drug Enforcement Administration (DEA). Registrants are required to monitor individual orders for all controlled substances on an ongoing basis to determine if the orders are of unusual size, if orders deviate substantially from a normal pattern, and/or if orders are of an unusual frequency.

Cegedim Compliance Solutions Powered by BuzzeoPDMA (CCS) was contracted to assist CVS in the development of an SOM model for their distribution of controlled substances to ensure that the CVS order review process meets applicable regulatory requirements and DEA direction (including agency memoranda regarding SOM from 27 September 2006, 7 February 2007, and 27 December 2007).

 The primary requirement to be satisfied is:

> **Requirement 21CFR 1301.74 (b)**
> "The registrant shall design and operate a system to disclose to the registrant suspicious orders of controlled substances. The registrant shall inform the Field Division Office of the Administration in his area of suspicious orders when discovered by the registrant. Suspicious orders include orders of unusual size, orders deviating substantially from a normal pattern, and orders of unusual frequency."

In December 2008, CCS delivered an initial SOM model to CVS which CVS integrated into their order management process. In July of 2009, CVS staff advised that the current SOM model was "pending" a large number of orders that were not suspicious on their face and "cleared" by CVS staff. This can occur infrequently with the model, especially during the initial implementation period when the model uses data from a fixed, unchanging period of time prior to the model's initial deployment. In light of CVS' perceived number of "false positives" CCS statisticians made a revision to the CVS

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model through an adjustment to the algorithm "coefficients." The revised model was delivered to CVS on August 27, 2009.

On July 6, 2010, CVS contracted with CCS for three years of SOM maintenance to include yearly full model "retunements." The "retunement" event is a recommended practice to review and possibly re-adjust the SOM model coefficients for optimum sensitively. As noted above this may be necessary since the model is developed using historical data that is provided at the start of the design and ordering habits may naturally evolve and change over time. The model coefficients are fixed – relating back to the original (supplied) data. The "retunement" affords an opportunity to verify and adjust, if necessary, the model coefficients after recalculating them with a more current data set. The yearly adjustment also affords an opportunity for the attributes to be reconfirmed to ensure that the most appropriate order information is collected and analyzed in an appropriate manner.

Re-cap of Model Design

The SOM model that has been developed and recommended by Cegedim Compliance Solutions has been designed to "pend" an order which may be classified as a "suspicious" order for DEA reporting purposes. As previously indicated, "suspicious orders" are orders of unusual size, orders deviating from a normal pattern and orders of unusual frequency. The regulation does not specifically define what these terms mean.

The SOM model that has been developed and recommended by Cegedim Compliance Solutions is thus designed to evaluate orders and determine whether they are more likely to fit the DEA's definition of a "suspicious order" or less likely to fit the DEA's definition of a "suspicious order." In order to do this, a "*score*" is given for each product line item in an order. The "score" is based on a number of *attributes (*or *order qualities)* which are independent variables that represent characteristics of the item in the order. The attributes are based on *markers or data* calculated from a twelve month historical database. The model also includes *identifiers* – binary variables that must be either yes (assigned a value of 1) or no (assigned a value of 0).
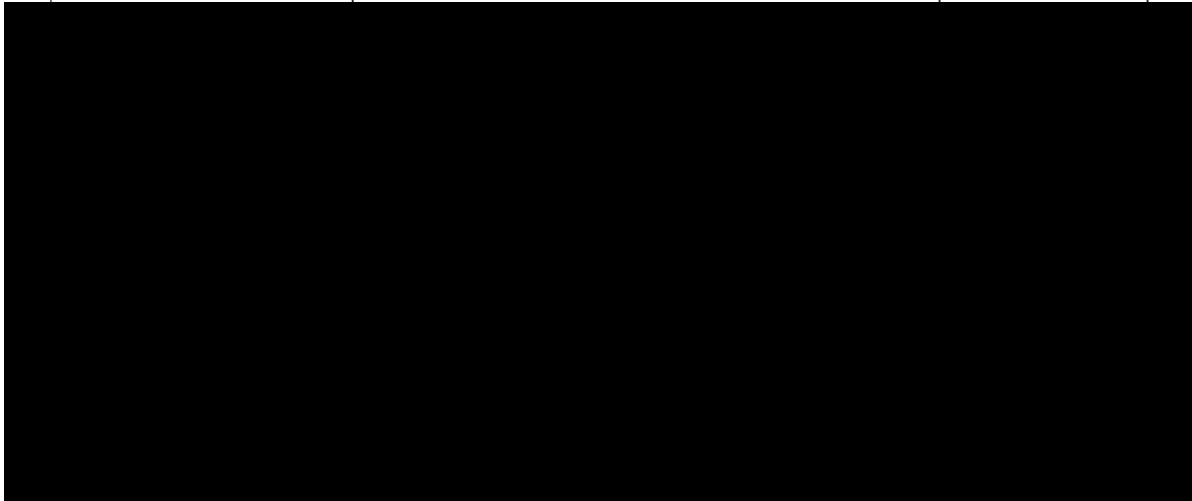
For each order, an analysis is performed to determine whether or not the order contains a number of factors (attributes) that would be associated with a suspicious order. Each of these factors (attributes) is assigned a *numerical value*. For some factors, the factor is deemed to be more important, significant, or indicative of a potentially "suspicious order" and those factors are assigned a higher value. These higher value factors are referred to as having *weighted values*. The weighted values are expressed in mathematical terms referred to as *co-efficients*. The various numerical values associated with each factor for each product line item are totaled and the totals represent the "scores." If an order has a number of factors (attributes) that have a high numerical value (thus driving up the overall score), the order likely would meet the DEA's definition of what is considered potentially suspicious and the Cegedim Dendrite model would indicate the order should be "pended" to allow further investigation to determine whether the order is in fact a "suspicious order" for reporting purposes.

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The Cegedim Compliance Solutions model looks at and utilizes attributes and identifiers (and their assigned numerical values) that could be considered suspicious and seeks to apply statistical techniques to establish "norms" and "deviations" in order that the overall "suspiciousness" of the order can be evaluated. The Cegedim Compliance Solutions approach considers both the types of order qualities (attributes) that can make an order "suspicious" and also establishes parameters related to "normal" ordering patterns so that orders that "deviate from a normal pattern" can be readily identified. At its core, the system uses a heavily modified multiple logistic regression model that returns a score or "index" – quite simply, a number between zero and one – that is used to gauge the likelihood that an item is either ordered in error or is fraudulent (the model does not distinguish between the two). Items with low scores are allowed to proceed for processing, and items with large scores are pended for review. <u>The model has been designed so that any order with a score of 0.15 or higher is identified as suspicious, pended, and should be investigated further</u>.

As previously indicated, the model uses a number of variables and indicators ("attributes") that are used to calculate the SOM score. These attributes are calculated for every item in an order according to a twelve month history in the CVS database. The attributes are primarily functions of the history fields (markers) that are given below. Since the new model now accommodates 12 months of data, there are roughly twice the number of entries.   Both 6 and 12 month markers should be computed.

The following lists fields that should be designed into the historical reference table. This table should be recompiled (refreshed with the twelve most recent months of history) at least once per month.

Field	Marker Description	Notes

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Field	Marker Description	Notes

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Field	Marker Description	Notes

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Field	Marker Description	Notes

6

Field	Marker Description	Notes

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Field	Marker Description	Notes

An important feature of the SOM model that is now being recommended to CVS is that it is now based on the monthly totals (ie. sums) of the controlled substances as measured in milligram (mg) amounts of active ingredient. That is, the model does not distinguish between different brands, formulas, and/or package sizes. When an order is placed which contains a controlled substance, the total milligram amount must be calculated for each of the same items and then these values are added to the existing quantities that have already been ordered for the month.   These cumulative quantities are then evaluated for "suspicion" based upon the monthly totals of each item for the previous twelve months in the CVS database.

As previously noted, this statistical based SOM system can only identify a potentially suspicious order if the customer has ordered the corresponding active ingredient at least

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twice over the previous one year period (different months). When this is not satisfied, the order must be evaluated outside of this SOM system – most likely by an element of the SOM Standard Operating Procedures (SOPs).

The important variable for determining a suspicious order is:

> **CumulStrength:** the total amount ordered for the active ingredient (including the current order) thus far this month
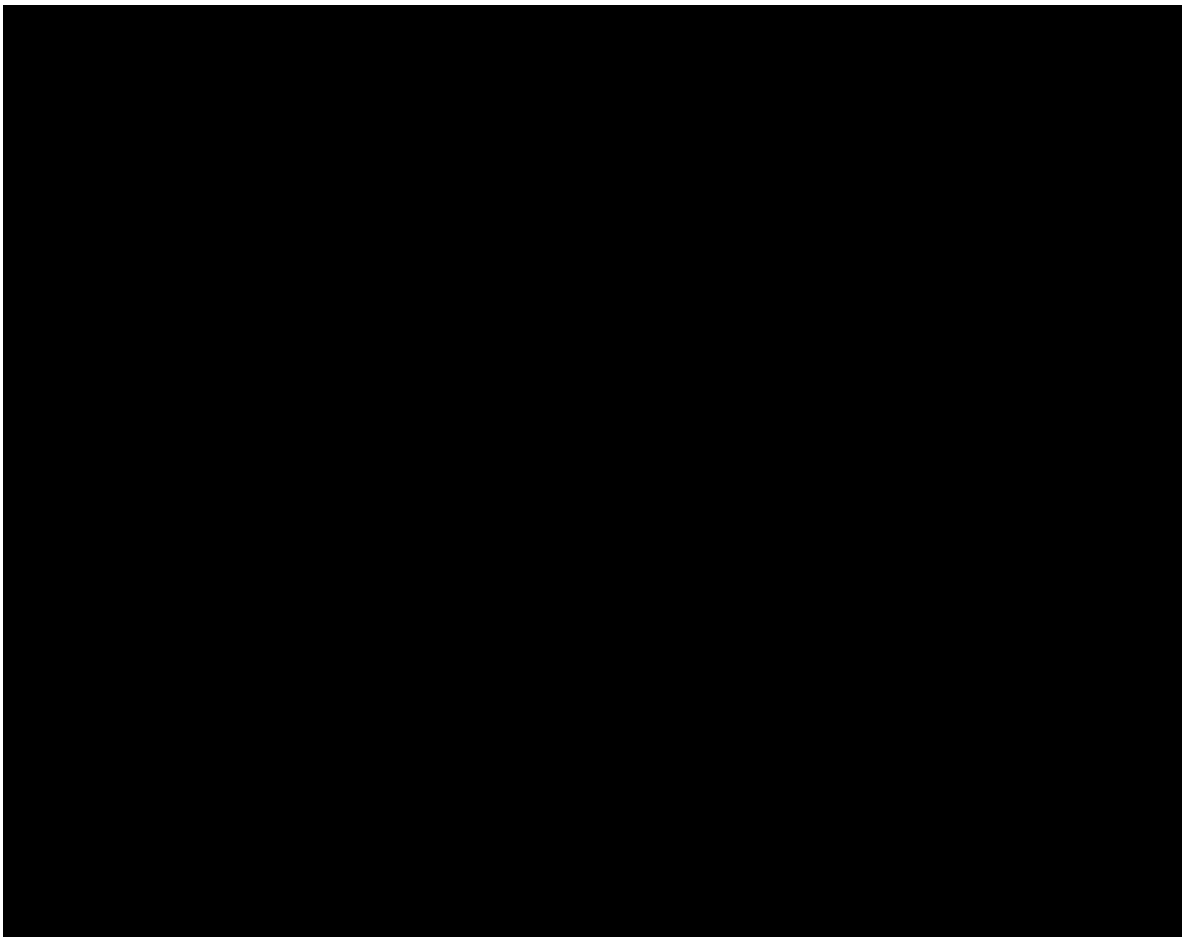
Additional Attributes Required for the Revised SOM Model. These are attributes and markers which are not included in the history table. Generally, but not always, they involve calculations for the current month (CumulStrength).

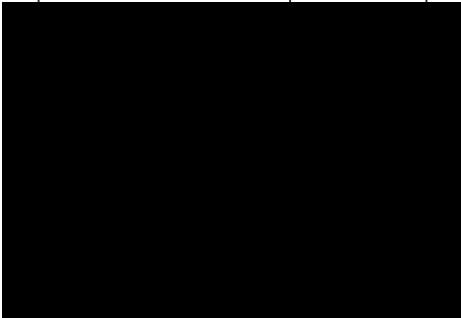<u>Binary Indicators</u>
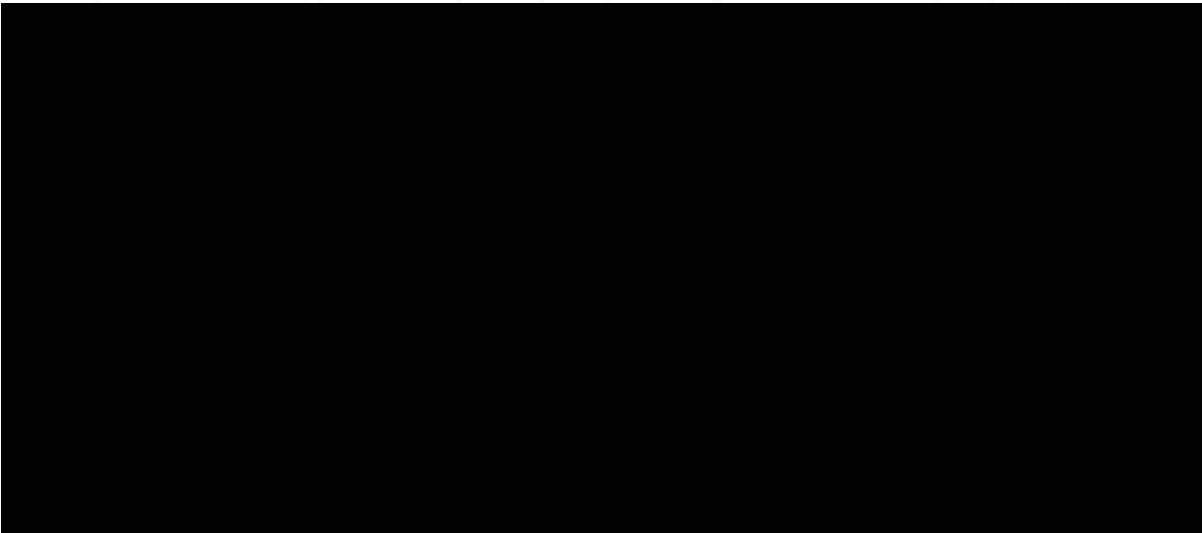
<u>Continuous Variables</u>
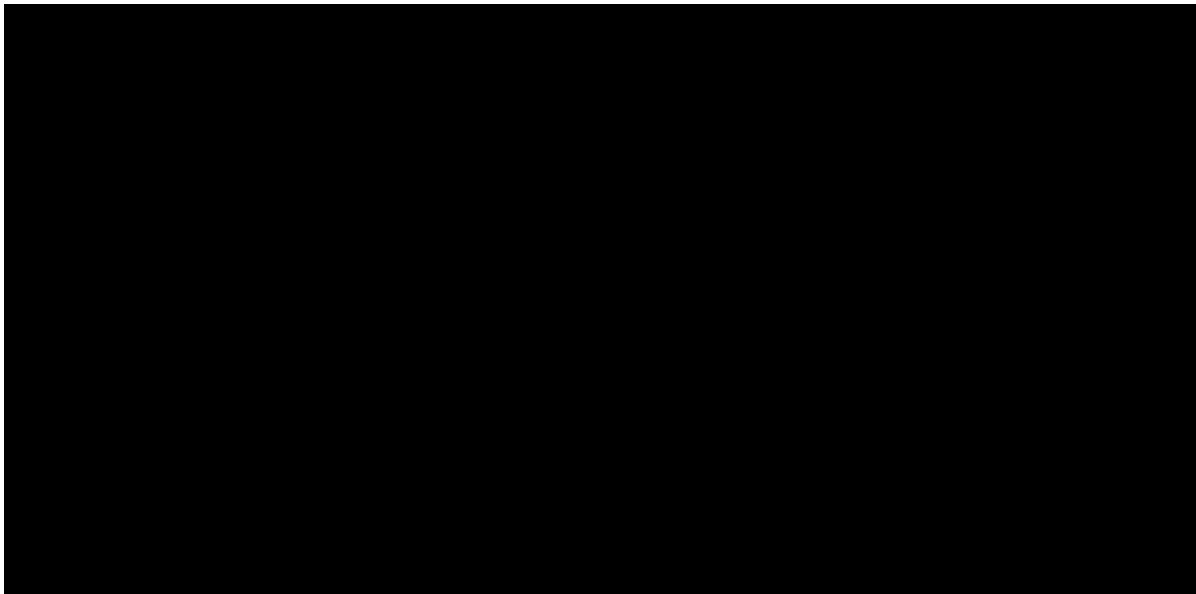
The SOM Model

Given the variables previously defined, the recommended SOM retuned model for CVS
is the following formula:

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Model coefficient	Value

Qualifications

The above reflects our recommended approach for a revised SOM model for CVS based on information and individuals made available to us by CVS during the model development period. A review of additional data and/or alternative insight from CVS representatives could have changed our recommendations related to the proposed SOM model.

Cegedim Compliance Solutions owns the intellectual property associated with the proposed SOM model and hereby provides CVS a perpetual license to use the SOM model as a part of CVS' efforts to comply with DEA regulations only. The Cegedim Compliance Solutions SOM model contains proprietary information. No portion of the model, no details contained in this Descriptive Overview Document, and no other insight provided to CVS related to the model during the course of this effort may be used or disclosed outside of CVS without the expressed written consent of Cegedim Compliance Solutions.

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